

EXHIBIT 1 TO AMENDED PLAN

AMENDMENT TO MEDIATION SETTLEMENT AGREEMENT

THIS AGREEMENT made and entered into this 30th day of April, 2012, by and between WERNER KLEE and KATHLEEN KLEE, husband and wife, hereinafter known as "Klee", and MADRONA MORTGAGE and MADRONA MORTGAGE PROFIT SHARING PLAN & TRUST, herein both referred to as "Madrona",

WITNESSETH:

I. Recitations

A. Klee and Madrona entered into a Mediation Settlement Agreement February 28, 2011, providing for the resolution of Madrona's seven claims filed in the Klee Chapter 11 (Case No. 09-49455), and Klee's adversary complaint No. 10-04396.

B. In order to implement the original Agreement, certain changes to the Mediation Settlement Agreement are required. The parties are desirous of setting forth these changes in written form in this document. It is understood these changes are subject to court approval after notice to creditors and interested parties.

Now, Therefore, for and in consideration of the mutual covenants and benefits contained herein, the parties agree as follows:

II. Agreement

The original Agreement by and between Klee and Madrona, dated February 28, 2011, and approved by the bankruptcy court on April 12, 2011, is hereby amended in the following respects:

A. **Amend Paragraph 5.** Prior to recording the deed in lieu specified in Paragraph 5, Klee is allowed to record drainfield easements as necessary to protect access for Lots 2 and 5, which belong to Ina Aust and Jennifer Klee, as set forth in the recorded large lot subdivision for this development.

B. **Amend Paragraph 9.** Madrona shall also have the option of requiring Klee to

